

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 29, 2024

Magnachip Semiconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34791
(Commission
File Number)

83-0406195
(IRS Employer
Identification No.)

c/o Magnachip Semiconductor, Ltd.
15F, 76 Jikji-daero 436beon-gil, Heungdeok-gu
Cheongju-si, Chungcheongbuk-do, 28581, Republic of Korea
(Address of principal executive offices)

Not Applicable
(Zip Code)

(352) 45-62-62
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	MX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On July 29, 2024, Woungmoo Lee resigned from his position as Executive Vice President and General Manager of Mixed-Signal Solutions of Magnachip Semiconductor Corporation (the “Company”), to be effective as of 11:59 p.m. (Korea Time) on July 31, 2024. Mr. Lee also resigned from his position as General Manager of Mixed-Signal Solutions of Magnachip Mixed-Signal, Ltd., the Korean operating subsidiary of the Company (“MMS”), and from all other positions held by him as of such time and date. Mr. Lee will continue to provide consulting services to the Company following his resignation as described below.

(e) In connection with Mr. Lee’s resignation and termination of his Employment Agreement with the Company and Magnachip Semiconductor, Ltd. (“MSK”), Mr. Lee, the Company, MSK and MMS entered into a separation agreement dated as of July 29, 2024 (the “Separation Agreement”), pursuant to which the Company has agreed to the following: (i) the Company will pay Mr. Lee a cash severance payment equal to twelve times his monthly base salary, payable ratably over a period of twelve months after the separation date (with the first payment being paid two months after the separation date), together with any annual bonus earned for calendar year 2024, which shall be prorated on a daily basis, and (ii) any outstanding unvested equity awards held by Mr. Lee will be treated in accordance with the terms set forth in the Company’s applicable equity incentive plan and the applicable award agreements, solely for the purpose of this clause (ii), as if Mr. Lee’s separation was deemed to be “termination without Cause” rather than “resignation without Good Reason” under the applicable equity incentive plan and such award agreements (collectively, the “Separation Benefits”). The Separation Benefits are contingent on the execution and non-revocation of the Release of Claims (as defined below) and Mr. Lee’s compliance with all other terms of his Confidentiality Agreement, Proprietary Information and Invention Assignment Agreement, the Separation Agreement and the Release of Claims.

In connection with the Separation Agreement, Mr. Lee also entered into a release with the Company, MSK and MMS whereby Mr. Lee released all claims he may have against the Company, MSK, MMS or their respective affiliates, subsidiaries, representatives and other related parties in exchange for the Separation Benefits and the other applicable severance benefits set forth in the Separation Agreement (the “Release of Claims”).

On July 29, 2024, Mr. Lee entered into a consulting agreement (the “Consulting Agreement”) with MMS pursuant to which Mr. Lee will serve as an advisor to MMS and provide strategic guidance and sales support, as well as to facilitate a smooth management transition. The Consulting Agreement has a term of 11 months and provides for Mr. Lee to receive compensation of approximately \$9,383.57 per month, as well as expense reimbursements and transportation and technology allowances.

The foregoing descriptions of the Separation Agreement and the Consulting Agreement are qualified in their entirety by reference to the full text of the Separation Agreement and the Consulting Agreement, which are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Separation Agreement, dated as of July 29, 2024, by and among the Company, MSK, MMS and Woungmoo Lee.
10.2	Consulting Agreement, dated as of August 1, 2024, by and between MMS and Woungmoo Lee.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 31, 2024

MAGNACHIP SEMICONDUCTOR CORPORATION

By: /s/ Theodore Kim
Name: Theodore Kim
Title: Chief Compliance Officer, General Counsel and Secretary



July 29, 2024

Via Hand Delivery

Mr. Woungmoo Lee

[address omitted]

Re: **Separation Agreement**

Dear Mr. Lee:

This letter agreement (this "**Separation Agreement**") confirms our mutual understanding regarding your resignation from the position of Executive Vice President and General Manager of Mixed-Signal Solutions of Magnachip Semiconductor Corporation, a Delaware corporation ("**MSC**"), and of Magnachip Mixed-Solutions, Ltd., a Korean *yuhan hoesa* ("**MMS**"), and from all other positions with each direct and indirect subsidiaries of MSC, including Magnachip Semiconductor, Ltd. ("**MSK**"), effective as of 11:59 p.m. (Korea Time) on July 31, 2024 (the "**Resignation Date**"). MSC and all of its direct and indirect subsidiaries are collectively referred to herein as the "**Company**".

1. **Incorporation by Reference**. Reference is made to that certain Employment Agreement by and between you, on the one hand, and MSC and MSK, on the other hand, entered into as of October 22, 2018 (the "**Service Agreement**"). If any provision contained in the Service Agreement conflicts with any provision in this Separation Agreement, the provision contained in this Separation Agreement shall govern and control. Capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Service Agreement.

2. **Voluntary Resignation**. By signing below, you hereby voluntarily resign from the position of Executive Vice President and General Manager of MSC and MMS and from all other positions with each direct and indirect subsidiaries of MSC, including MSK, effective as of 11:59 p.m. (Korea Time) on the Resignation Date. Notwithstanding anything to the contrary provided in the Service Agreement or otherwise, your resignation shall be deemed to be voluntary pursuant to Section 4(a)(vi) (Resignation without Good Reason) of the Service Agreement, except as expressly provided in **Section 3(b)** below.

3. **Severance Benefit**. The Company is offering, and you have accepted, the following benefits (collectively, the "**Severance Benefit**") in exchange for your execution of this Separation Agreement and the release of claims contained herein and in **Exhibit A** attached hereto (the "**Release of Claims**"):

(a) **Separation Payment**. You will receive cash severance payment equal to twelve (12) times your currently effective monthly base salary, which will be paid in installments as follows: (i) KRW 59,150,000 on September 30, 2024; (ii) KRW 29,575,000 on October 25, 2024; (iii) KRW 29,575,000 on November 25, 2024; (iv) KRW 29,575,000 on December 24, 2024; (v) KRW 29,575,000 on January 24, 2025; (vi) KRW 29,575,000 on February 25, 2025; (vii) KRW 29,575,000 on March 25, 2025; (viii) KRW 29,575,000 on April 25, 2025; (ix) KRW 29,575,000 on May 23, 2025; (x) KRW 29,575,000 on June 25, 2025; and (xi) KRW 29,575,000 on July 25, 2025. You will also be entitled to receive a prorated portion of the Annual Bonus applicable to the calendar year 2024, determined on a daily basis, based on actual performance achievement for such year, and payable if and when annual bonuses are paid to other senior executives of the Company with respect to such year. The payments set forth in this **Section 3(a)** are collectively referred to herein as the "**Separation Payment**".

Magnachip Semiconductor, 40F, Parc.1 Tower 2, 108, Yeoui-daero, Yeongdeungpo-gu, Seoul, Republic of Korea, 07335

(b) Equity Compensation. During your engagement with the Company, you have been granted equity awards (“Equity Awards”) under the terms of the MagnaChip Semiconductor Corporation 2011 Equity Incentive Plan (the “2011 Equity Plan”) or the Magnachip Semiconductor Corporation 2020 Equity and Incentive Compensation Plan, as amended (together with the 2011 Equity Plan, the “Equity Plan”). Any Equity Awards that are outstanding under the Equity Plan will be treated in accordance with the terms of the Equity Plan and the applicable award agreements, subject to the following terms and conditions:

(i) Your “Service”, as defined in the Equity Plan, shall be deemed to have terminated as of the Resignation Date.

(ii) For purposes of this Section 3(b) only, your separation shall be deemed to constitute “termination without Cause” rather than “resignation without Good Reason” under the Equity Plan and the applicable award agreements; provided, however, that this Section 3(b)(ii) shall not apply to your rights to exercise your stock options under the Section 3(b)(iii) of this Separation Agreement.

(iii) Notwithstanding Section (3)(b)(i) above, you may exercise your stock options, to the extent unexercised and exercisable, at any time prior to the date that is three (3) months after the last date of your service per the Consulting Agreement (as defined below), but in no event later than the original expiration date of such stock options.

(c) Notwithstanding anything herein or in the Service Agreement to the contrary, the Severance Benefit (including the Separation Payment) to be provided to you shall be contingent upon and subject to:

(i) your execution and non-revocation of the Release of Claims and your satisfaction of the conditions under the Release of Claims;

(ii) your compliance with all of the terms of the Confidentiality Agreement and Proprietary Information and Invention Assignment Agreement, both of which are dated as of November 1, 2013, except as superseded by this Separation Agreement; and

(iii) your compliance with all the terms of this Separation Agreement, including Section 4 below (and by reference, Sections 6, 7, 8 and 10 of the Service Agreement).

(d) Taxes. The Company shall withhold taxes as required by applicable law. You shall be responsible for filing applicable tax returns and paying applicable taxes to the relevant tax authorities in connection with the receipt of the Severance Benefit described above.

(e) Payment of Benefits and Compensation. You agree that, except as otherwise provided herein, you have been paid all benefits and compensation (including any equity based compensation) owed to you by the Company (or its parent company, as applicable) and are not entitled to any additional severance, wages, salary, benefits, equity, options, bonuses, incentive compensation, allowances, or other remuneration from the Company. For the avoidances of doubt, you acknowledge that any payment or benefits you were entitled pursuant to the Service Agreement have been duly voided between you and the Company prior to the Resignation Date, and you shall not claim that the aforementioned payment or benefits have not been provided by the Company.

(f) The Company's Waiver of Notice. The Company hereby waives the 30-day notice requirement set forth in Section 4(b) of the Service Agreement in connection with your resignation pursuant to this Separation Agreement.

4. Consulting Arrangement. Immediately after you execute this Separation Agreement and the Release of Claims, you and MMS will execute a separate consulting agreement attached hereto as Exhibit B (the "Consulting Agreement").

5. Covenants. Sections 6 (Non-Competition; Non-Solicitation; Non-Hire), 7 (Non-Disclosure of Confidential Information; Non-Disparagement; Intellectual Property), 8 (Injunctive Relief) and 10 (Cooperation) of the Service Agreement are hereby incorporated hereinto by reference. You hereby confirm the validity and effectiveness of such provisions and agree to comply with them.

6. Entire Agreement. This Separation Agreement, the Release of Claims and the Service Agreement (and the Confidentiality Agreement and the Proprietary Information and Invention Assignment Agreement referenced in this Separation Agreement) constitute the entire agreement and understanding between you and the Company with respect to the subject matter hereof and supersede all prior agreements, policies and understandings (whether written or oral), between you and the Company, relating to such subject matter (including, without limitation, any oral promise to retain you as a consultant for any period following your termination of engagement and provide payments or benefits in connection therewith).

7. General. Sections 13 (Assignment and Successors), 14 (Governing Law), 15 (Validity), 16 (Notices), 17 (Counterparts), 19 (Amendments; Waivers), 20 (No Inconsistent Actions), 21 (Construction), 22 (Dispute Resolution), 23 (Enforcement), 24 (Withholding), 25 (Clawback) and 27 (Representations) of the Service Agreement are hereby incorporated hereinto by reference, provided that those sections shall apply *pari passu* to this Separation Agreement as if the term "Agreement" were replaced with the term "Separation Agreement".

[Remainder of page internationally left blank, Signature page follows.]

Please confirm your agreement with the foregoing by signing and returning one copy of this Separation Agreement to the undersigned, whereupon this Separation Agreement shall become a binding agreement between you and the Company.

Very truly yours,

MAGNACHIP SEMICONDUCTOR CORP.

By: /s/ Young-Joon Kim

Name: Young-Joon Kim

Title: Chief Executive Officer

MAGNACHIP SEMICONDUCTOR, LTD.

By: /s/ Young-Joon Kim

Name: Young-Joon Kim

Title: Representative Director

MAGNACHIP MIXED-SIGNAL, LTD.

By: /s/ Young-Joon Kim

Name: Young-Joon Kim

Title: Representative Director

Accepted and agreed as of
the date first written above:

/s/ Woungmoo Lee

Woungmoo Lee

EXHIBIT A
RELEASE OF CLAIMS

As used in this Release of Claims (this “Release of Claims”), the term “claims” will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, proceedings, obligations, debts, accounts, attorneys’ fees, judgments, losses, and liabilities, of whatsoever kind or nature, in law, in equity, or otherwise. Capitalized terms used but not defined in this Release of Claims will have the respective meanings ascribed to them in the Separation Agreement dated July 29, 2024, among Magnachip Semiconductor Corporation, Magnachip Semiconductor, Ltd., Magnachip Mixed-Signal, Ltd. and the undersigned (the “Separation Agreement”).

For and in consideration of the Severance Benefit, and other good and valuable consideration, I, for and on behalf of myself and my executors, heirs, administrators, representatives, and assigns, hereby agree to release and forever discharge the Company and all of their respective predecessors, successors, affiliates, subsidiaries, investors, directors, shareholders, members, officers, general or limited partners, employees, attorneys, agents, and representatives, and the employee benefit plans in which I am or have been a participant by virtue of my employment with or service to the Company (collectively, the “Company Releasees”), from any and all claims that I have or may have had against the Company Releasees based on any events or circumstances arising or occurring on or prior to the date hereof and arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever my executive service to, or employment by, the Company or the termination thereof, including any and all claims arising under federal, state or local laws of the United States of America or under national, provincial or local laws of the Republic of Korea (as well as any applicable foreign jurisdictions) relating to executive service or employment, including claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, intentional infliction of emotional distress, whistleblowing or liability in tort, and claims of any kind that may be brought in any court or administrative agency, and any related claims for attorneys’ fees and costs. I agree further that this Release of Claims may be pleaded as a full defense to any action, suit, arbitration, or other proceeding covered by the terms hereof that is or may be initiated, prosecuted, or maintained by me or my descendants, dependents, heirs, executors, administrators, or assigns. By signing this Release of Claims, I acknowledge that I intend to waive and release all rights known or unknown that I may have against the Company Releasees under these and any other laws.

I acknowledge and agree that as of the date I execute this Release of Claims (the “Release Effective Date”), I have no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws listed in the preceding paragraph and that I have not filed any claim against any of the Company Releasees before any local, state, federal, or foreign agency, court, arbitrator, mediator, arbitration or mediation panel, or other body (each individually a “Proceeding”). I (i) acknowledge that I will not initiate or cause to be initiated on my behalf any Proceeding and will not participate in any Proceeding, in each case, except as required by law, and (ii) waive any right that I may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding. Further, I understand that, by executing this Release of Claims, I will be limiting the availability of certain remedies that I may have against the Company and limiting also my ability to pursue certain claims against the Company Releasees.

Notwithstanding the generality of the foregoing, I do not release (i) claims to receive Severance Benefit, including the Separation Payment, in accordance with the Separation Agreement, (ii) claims for indemnification arising under any applicable indemnification obligation of the Company, or (iii) claims that cannot be waived by law.

I understand that nothing in this Agreement will preclude, prohibit or restrict me from (i) participating or cooperating in any investigation conducted by any governmental agency or authority, or (ii) filing a charge of discrimination with any administrative agency or regulatory authority.

Nothing in this Agreement, or any other agreement with the Company, prohibits or is intended in any manner to prohibit, me from (i) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the SEC, the U.S. Congress, and any governmental agency Inspector General, or (ii) making other disclosures that are protected under whistleblower provisions of federal law or regulation. This Agreement does not limit my right to receive an award (including, without limitation, a monetary reward) for information provided to the SEC. I do not need the prior authorization of anyone at the Company to make any such reports or disclosures, and I am not required to notify the Company that I have made such reports or disclosures.

Nothing in this Agreement or any other agreement or policy of the Company is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). I cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) (A) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (B) for the purpose of reporting or investigating a suspected violation of law, (ii) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal, or (iii) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order.

I acknowledge that I have been given at least 21 days in which to consider this Release of Claims. I acknowledge further that the Company has advised me to consult with an attorney of my choice before signing this Release of Claims, and I have had sufficient time to consider the terms of this Release of Claims. I represent and acknowledge that if I execute this Release of Claims before 21 days have elapsed, I do so knowingly, voluntarily, and upon the advice and with the approval of my legal counsel (if any), and that I voluntarily waive any remaining consideration period.

I understand that after executing this Release of Claims, I have the right to revoke it within seven days after its execution. I understand that this Release of Claims will not become effective and enforceable unless the seven-day revocation period passes and I do not revoke the Release of Claims in writing. I understand that this Release of Claims may not be revoked after the seven-day revocation period has passed. I understand also that any revocation of this Release of Claims must be made in writing and delivered to the Company at its principal place of business within the seven-day period.

This Release of Claims will become effective, irrevocable, and binding on the eighth day after its execution, so long as I have not timely revoked it as set forth above. I understand and acknowledge that I will not be entitled to payments or benefits under the Separation Agreement unless this Release of Claims is effective on or before the date that is 60 days following the Resignation Date.

I hereby agree to waive any and all claims to re-engagement or re-employment with the Company and affirmatively agree not to seek further employment with the Company.

The provisions of this Release of Claims will be binding upon my heirs, executors, administrators, legal representatives, and assigns. If any provision of this Release of Claims will be held by any court of competent jurisdiction to be illegal, void, or unenforceable, such provision will be of no force or effect. The illegality or unenforceability of such provision, however, will have no effect upon and will not impair the enforceability of any other provision of this Release of Claims.

This Release of Claims will be governed in accordance with the laws of the State of Delaware, without reference to the principles of conflicts of law. Any dispute or claim arising out of or relating to this Release of Claims or claim of breach hereof will be brought exclusively in the United States District Court for the District of Delaware to the extent that federal jurisdiction exists, and in the Delaware Chancery Court to the extent that federal jurisdiction does not exist. By execution of this Release of Claims, I am waiving any right to trial by jury in connection with any suit, action, or proceeding under or in connection with this Release of Claims.

/s/ Woungmoo Lee

Woungmoo Lee

Date: July 29, 2024

MAGNACHIP MIXED-SIGNAL, LTD.

CONSULTING AGREEMENT

This Consulting Agreement (this “Agreement”) is entered into as of August 1, 2024 (the “Effective Date”), by and between MAGNACHIP MIXED-SIGNAL, LTD. (“MMS”), a company established under the laws of the Republic of Korea, and WOUNGMOO LEE (“Consultant”). For the purposes of this Agreement, MMS and its affiliates that may receive services from Consultant from time to time, including any and all successors thereto, shall be referred to as the “Company.” The Company and Consultant may be referred to herein jointly as the “Parties” or individually as a “Party.”

WHEREAS, MMS desires to retain Consultant as an independent contractor to perform, and Consultant is willing to perform, the services (the “Services”) in accordance with the terms and conditions set forth in this Agreement and on Schedule A hereto;

WHEREAS, Consultant and MMS independently and thoroughly negotiated all terms and conditions of this Agreement, including the compensation to be paid by MMS for Consultant’s provision of the Services to the Company, Consultant shall be responsible for controlling the manner and means by which the Services are performed for the Company, including the time, place and sequence of work, Consultant has the authority to establish Consultant’s own hours of work, provided that the Services are completed on a timely basis as requested by the Company, Consultant has the authority to hire other individuals to assist Consultant in the performance of Services, Consultant may continue to advertise and market the performance of task for other clients and customers similar to the Services to be provided to the Company (subject to the limitations in Section 4 below), and Consultant shall use Consultant’s own business office, equipment and supplies to perform the Services.

NOW, THEREFORE, in consideration of (a) the mutual covenants and agreements set forth in this Agreement, and (b) other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. *Services and Compensation.*

A. *Services.* Consultant shall perform for the Company the services described in Schedule A hereto (the “Services”).

B. *Compensation.* In consideration of the Services rendered by Consultant hereunder, and subject to the terms and conditions set forth herein, the Company shall pay Consultant the compensation described in Schedule A hereto.

2. *Confidentiality.*

A. *Definition.* “Confidential Information” means any information that relates to the actual or anticipated business or research and development of the Company, technical data, trade secrets or know-how, including research, product plans or other information regarding the Company’s products or services and markets therefor, customer lists and customers (including customers of the Company on whom Consultant called or with whom Consultant became acquainted during the term of this Agreement), software, developments, inventions, processes, formulas, technology, designs, drawing, engineering, hardware configuration information, marketing, finances or other business information. Confidential

Information does not include information that (i) is known to Consultant at the time of disclosure to Consultant by the Company as evidenced by written records of Consultant, (ii) has become publicly known and made generally available through no action or inaction of Consultant or (iii) has been rightfully received by Consultant from a third party who is authorized to make such disclosure.

B. *Nonuse and Nondisclosure.* Consultant shall not, during or subsequent to the term of this Agreement, (i) use the Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of the Company or (ii) disclose the Confidential Information to any “Person” (which shall mean any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, firm, joint venture, governmental authority or other entity of whatever nature) under any circumstances but except where required by applicable law or orders from the court of competent jurisdiction, in which case Consultant shall notify the Company in advance that Consultant is required by the aforementioned reasons to disclose Confidential Information and make reasonable best effort to minimize, or assist the Company to take appropriate action to minimize, the disclosure. Consultant agrees and acknowledges that all Confidential Information shall remain the sole property of the Company. Consultant shall take all reasonable precautions to prevent any unauthorized disclosure or use of such Confidential Information. Without the Company’s prior written approval, Consultant shall not directly or indirectly disclose to anyone the existence of this Agreement or the fact that Consultant has this arrangement with the Company.

C. *Former Client Confidential Information.* Consultant shall not, during the term of this Agreement, improperly use or disclose any proprietary information or trade secrets of any former or current employer or client of Consultant or other Person with which Consultant has an agreement or duty to keep in confidence information acquired by Consultant, if any. Consultant shall not bring onto the Company’s premises any unpublished document or proprietary information belonging to any such employer, client or Person unless consented to in writing by such employer, client or Person.

D. *Third Party Confidential Information.* Consultant recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of this Agreement and thereafter, Consultant shall owe the Company and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to use it for Consultant’s benefit or disclose it to any Person or to use it except as necessary in carrying out the Services for the Company consistent with the Company’s agreement with such third party.

E. *Return of Materials.* Upon the termination of this Agreement, or upon the Company’s earlier request, Consultant shall deliver to the Company all of the Company’s property, including all electronically stored information and passwords to access such property, or Confidential Information that Consultant may have in Consultant’s possession or control.

F. *Reverse Engineering.* Unless and except to the extent expressly authorized by Company to do so, Consultant shall not attempt to reverse engineer, de-encrypt, or otherwise derive the design, internal logic, structure or inner workings (including algorithms and source code) of any software, products, models, prototypes, or other items provided by Company that use, embody, or contain Confidential Information.

G. *Securities Laws.* Consultant acknowledges that the securities laws of the United States (as well as other applicable jurisdictions) prohibit any Person who has material, non-public information about a company from using such information in purchasing or selling securities of that company, or from communicating such information to a third party under circumstances in which it is reasonably foreseeable that such third party is likely to purchase or sell such securities. Magnachip Semiconductor Corporation, the ultimate parent company of MMS, has securities listed on the New York Stock Exchange, and Consultant hereby acknowledges that Confidential Information disclosed by the Company may constitute such material, non-public information.

3. Ownership.

A. *Assignment.* Consultant agrees and acknowledges that all copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries and trade secrets conceived, discovered, developed or reduced to practice by Consultant, solely or in collaboration with others, during the term of this Agreement that relate in any manner to the business of the Company that Consultant may be directed to undertake, investigate or experiment with or that Consultant may become associated with in work, investigation or experimentation in the Company's line of business in performing the Services under this Agreement (collectively, "Inventions"), are the sole property of the Company. Consultant also agrees to assign (or cause to be assigned) and hereby assigns fully to the Company all Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating to all Inventions.

B. *Further Assurances.* Consultant shall assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating to all Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect to all Inventions, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title and interest in and to all Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating to all Inventions. Consultant agrees and acknowledges that Consultant's obligation to execute or cause to be executed any such instrument or papers shall continue after the termination of this Agreement. Consultant further agrees and acknowledges that the Company's delay (or omission) in any applicable action to secure the Company's rights in Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating to all Inventions (including making any requests to Consultant for Consultant's assistance) shall not be deemed in any way as the Company's waiver of such rights and/or the Company's grant of such rights to Consultant.

C. *Pre-Existing Materials.* Subject to Section 3(A) above, Consultant agrees that if, in the course of performing the Services, Consultant incorporates into any Invention developed under this Agreement any pre-existing invention, improvement, development, concept, discovery or other proprietary information owned by Consultant or in which Consultant has an interest, (i) Consultant shall inform the Company, in writing before incorporating such invention, improvement, development, concept, discovery or other proprietary information into any Invention, and (ii) the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such Invention. Consultant shall not incorporate any invention, improvement, development, concept, discovery, or other proprietary information owned by any third party into any Invention without the Company's prior written permission.

D. *Attorney-in-Fact.* Consultant agrees that, if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3(A) above, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by Consultant.

4. *Conflicting Obligations.*

A. *Conflicts.* Consultant has the authority and discretion to assist other clients in the performance of tasks similar to those performed for the Company, provided that such authority and discretion shall be exercised in compliance with this Agreement (including Section 2 above). Notwithstanding with the foregoing, Consultant certifies that Consultant has no outstanding agreement or obligation that is in conflict with any of the provisions of this Agreement or that would preclude Consultant from complying with the provisions of this Agreement. Further, Consultant shall not enter into any such conflicting agreement during the term of this Agreement. Consultant's violation of this Section 4(A) shall be considered a material breach under Section 6(C) of Schedule A hereto.

B. *Substantially Similar Designs.* In view of Consultant's access to the Company's trade secrets and proprietary know-how, Consultant shall not, without Company's prior written approval, design identical or substantially similar designs as those developed under this Agreement for any third party during the term of this Agreement and for a period of 24 months after the termination of this Agreement. Consultant agrees and acknowledges that the obligations in this Section 4(B) are ancillary to Consultant's nondisclosure obligations under Section 2 above.

5. *Reports.* Consultant shall, from time to time during the term of this Agreement, keep the Company advised as to Consultant's progress in performing the Services under this Agreement. Consultant shall, as requested by the Company, prepare written reports with respect to such progress. The Company and Consultant agree that the time required to prepare such written reports will be considered time devoted to the performance of the Services. Consultant shall retain substantial control of the manner and means that Services are performed at all times.

6. *Term.*

A. *Term.* The term of this Agreement shall be as set forth in Section 4 of Schedule A hereto, subject to the Parties' right to terminate this Agreement as set forth in Section 6 of Schedule A hereto.

B. *Survival.* Upon termination or expiration of this Agreement, all rights and duties of the Company and Consultant toward each other shall cease except:

i. The Company will pay, within 30 days after the effective date of termination or expiration of this Agreement (the "End Date"), all amounts owing to Consultant for the Services completed and accepted by the Company prior to the End Date and related expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Schedule A hereto; and

ii. Section 2 (Confidentiality), Section 3 (Ownership), Section 4 (Conflicting Obligations), Section 7 (Independent Contractor; Benefits), Section 8 (Indemnification), Section 9 (Restrictions) Section 10 (Cooperation) and Section 11 (Arbitration and Equitable Relief) hereto shall survive such termination or expiration of this Agreement and continue to be effective to the fullest extent permitted by law.

7. Independent Contractor; Benefits.

A. *Independent Contractor.* It is the express intention of the Company and Consultant that Consultant perform the Services as an independent contractor to the Company. Nothing in this Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of the Company. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse the Company for) all tools and materials necessary to accomplish this Agreement and shall incur all expenses associated with performance, except as expressly provided in Schedule A hereto.

B. *Benefits.* Unless expressly provided in Schedule A hereto, Consultant is not entitled to or eligible for any benefits, including the kinds of benefits that the Company may make available to its employees, such as group insurance, profit-sharing, incentive or retirement benefits. Because Consultant is an independent contractor, the Company will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain workers' compensation insurance on behalf of Consultant, or make or withhold any payments as required by labor or other applicable laws. If, notwithstanding the foregoing, Consultant is reclassified as an employee of the Company, by any governmental or quasi-governmental authority as the result of any administrative or judicial proceeding Consultant agrees that Consultant shall not, as the result of such reclassification, be entitled to or eligible for, on either a prospective or a retrospective basis, any employee benefits under any plans or programs established or maintained by the Company.

C. *Reimbursement of Expenses.* Subject to this Section 7(C) and Schedule A hereto, Consultant will be reimbursed for all reasonable and appropriately substantiated out-of-pocket expenses incurred by Consultant at the request of the Company, in the course of rendering the Services. All expenses must be pre-approved in writing by the Company.

D. *Taxes.* The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, local and foreign withholding and other taxes and charges that the Company is required to withhold. Notwithstanding the foregoing, Consultant shall bear any taxes, fees or other charges that any applicable governmental or quasi-governmental authority may impose on Consultant in addition to the amount withheld by the Company in accordance with the preceding sentence. Because Consultant is an independent contractor, the Company will not make payments for any employment-related taxes or benefits.

E. *Compliance with Law.* Consultant shall have full and sole responsibility for compliance with all applicable laws with respect to Consultant's self-employment, sole proprietorship or other form of business organization, and with respect to Consultant's partners, agents, subcontractors and employees, including payment of taxes, social security, worker's compensation, unemployment and disability insurance coverage requirements and any immigration requirements. Consultant hereby represents and warrants that Consultant and all individuals assisting Consultant in the performance of Services have all required and necessary licenses and certifications required to perform the Services.

F. *Certification.* Consultant shall provide the Company with certifications and records (including, as appropriate, copies of Consultant's tax returns, licenses, and certifications) as the Company may request from time to time, during or after the term of this Agreement, to verify that Consultant has complied with this Section 7.

8. *Indemnification.* Consultant shall indemnify and hold harmless the Company and its affiliates, directors, officers, agents and employees from and against all taxes, losses, damages, liabilities, penalties, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees or agents, (ii) a determination by a court or agency that Consultant is not an independent contractor, (iii) any breach by Consultant or Consultant's assistants, employees or agents of any of the covenants contained in this Agreement, (iv) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (v) any violation or claimed violation of a third party's rights resulting in whole or in part from the Company's use of the work product of Consultant under this Agreement. Consultant may not agree to settle any third-party claim, suit or action for which the Company (or any of its affiliates, agents or employees) is or may be entitled to indemnification hereunder without the Company's prior written consent.

9. *Restrictions.*

A. *Non-Solicitation.* From the date of this Agreement until 12 months after the termination of this Agreement (the "Restricted Period"), Consultant shall not, without the Company's prior written consent, directly or indirectly, solicit or encourage any employee or contractor of the Company or its affiliates to terminate employment with, or cease providing services to, the Company or its affiliates. During the Restricted Period, Consultant shall not, whether for Consultant's own account or for the account of any other Person, intentionally interfere with any person who is or during the period of Consultant's engagement by the Company was a partner, supplier, customer or client of the Company or its affiliates.

B. *Competitive Engagements.* Consultant agrees that during the Restricted Period, without the prior written consent of the Company, Consultant shall not directly or indirectly be or become an officer, director, employee, owner, co-owner, affiliate, partner, promoter, agent, representative, designer, consultant, advisor, manager, licensor, sublicensor, licensee or sublicensee of, for or to, or otherwise be or become associated with or acquire or hold (of record, beneficially or otherwise) any direct or indirect interest in, any Person that directly or indirectly competes with any current or planned business or activity of the Company ("Competitor"); provided, however, that Consultant may, without violating this Section 9, own, as a passive investment, shares of capital stock of a publicly-held corporation that is a Competitor if (i) such shares are actively traded on an established national securities market, (ii) the number of shares of such Competitor's capital stock that are owned beneficially (directly or indirectly) by Consultant collectively represents less than one percent (1%) of the total number of shares of such Competitor's capital stock outstanding, and (iii) Consultant is not otherwise associated directly or indirectly with such Competitor or with any affiliate of such Competitor. Notwithstanding the foregoing, if during the Restricted Period Consultant seeks to be employed by or consult for a Competitor that does not directly compete with any current or planned business or activity of the Company, the Company shall not unreasonably withhold, delay or condition its consent to Consultant being employed by or consulting for such Competitor.

C. *Non-Disparagement.* Consultant shall not, at any time during Consultant's provision of the Services and in perpetuity thereafter, directly or indirectly, knowingly disparage, criticize, or otherwise make derogatory statements regarding the Company, or any of its successors, directors or officers. The foregoing shall not be violated by Consultant's factually truthful responses to legal process or inquiry by a governmental authority.

10. *Cooperation.* Consultant agrees that, subject to Consultant's reasonable availability, during and after Consultant's engagement by the Company, and without the necessity of the Company obtaining a subpoena or court order, Consultant shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against the Company, which relates to events occurring during

Consultant's Service (including furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial); provided that the Company shall reimburse Consultant for reasonable out-of-pocket expenses Consultant incurs that are associated with any such cooperation; provided further that any such cooperation occurring after the termination of Consultant's Service shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with Consultant's business or personal affairs. Notwithstanding anything herein to the contrary, the preceding cooperation covenant shall not apply to any suit, action, proceeding, investigation, defense or claim that arises out of or relates to a dispute between Consultant and the Company.

11. *Arbitration and Equitable Relief.*

A. *Arbitration.* Any dispute arising under or by virtue of this Agreement or any difference of opinion between the Parties concerning their rights and obligations under this Agreement shall be finally resolved by arbitration. Such arbitration proceedings shall take place in Seoul, Republic of Korea in accordance with the applicable rules of arbitration of the International Chamber of Commerce ("ICC") by a single arbitrator appointed in accordance with such rules, and the proceedings shall be conducted in English language. The decision of the arbitration proceedings shall be final and binding upon the Parties.

B. *Remedy.* Except as provided by the applicable ICC rules, arbitration shall be the sole, exclusive, and final remedy for any dispute between the Company and Consultant. Accordingly, except as provided by such rules, neither the Company nor Consultant shall be permitted to pursue court action regarding claims that are subject to arbitration. Notwithstanding the foregoing, the arbitrators shall not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrators shall not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

C. *Availability of Specific Performance and/or Injunctive Relief.* In addition to the right under the applicable ICC rules to petition a court for provisional relief, Consultant agrees that the Company may also petition the court for specific performance or injunctive relief where the Company alleges or claims a violation of Section 2 (Confidentiality), Section 3 (Ownership), or Section 4 (Conflicting Obligations) of this Agreement or any other agreement regarding trade secrets, confidential information or the restrictions set forth in Section 9 (Restrictions) above. In the event either the Company seeks specific performance or injunctive relief and the court grants such specific performance or injunctive relief, as the case may be, the Company shall be entitled to recover reasonable costs and attorneys' fees.

D. *Voluntary Nature of Agreement.* Consultant acknowledges and agrees that Consultant is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Consultant further acknowledges and agrees that Consultant has carefully read this Agreement and has asked any questions needed to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that Consultant is waiving its right to a jury trial. Finally, Consultant agrees that Consultant has been provided an opportunity to seek the advice of an attorney of Consultant's choice before signing this Agreement.

12. *Miscellaneous.*

A. *Governing Law.* The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Republic of Korea, without giving effect to the principles of conflict of laws.

B. *Assignability*. Consultant may not sell, assign, or delegate any rights or obligations under this Agreement. Consultant hereby consents to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantial part of the Company's assets or businesses relating to the division, department or group to which Consultant belongs. Upon prior written notice to Consultant, the Company may assign its rights to any affiliate of the Company; provided that such affiliate agrees in writing to assume all rights and responsibilities of the Company hereunder.

C. *Entire Agreement*. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the Parties regarding the subject matter of this Agreement.

D. *Headings*. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

E. *Notices*. Any notice or other communication required or permitted by this Agreement to be given to a Party shall be in writing and shall be deemed given: (1) if delivered personally or by commercial messenger or courier service, then delivery shall be deemed effective upon receipt, as evidenced by the records of the commercial messenger or courier service; (2) if mailed by registered or certified mail (return receipt requested), then delivery shall be deemed effective five (5) business days after mailing; or (3) if sent via email, then delivery shall be deemed effective upon confirmation of receipt. All notices and other communications required or permitted by this Agreement to be given to a Party shall be sent to such Party at such Party's address or email address written below.

i. If to the Company, to:

Magnachip Mixed-Signal, Ltd.
40F, Parc. 1, Tower 2, 108, Yeoui-daero
Yeoungdeungpo-gu, Seoul, 07335
Republic of Korea
Attention: General Counsel
Telephone: 82-2-6903-3054
Email: theodore.kim@magnachip.com

ii. If to Consultant, to the address (or the email address) for notice on the signature page to this Agreement.

F. *Attorneys' Fees*. In any action at law or equity that is brought by one of the Parties to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled.

G. *Severability*. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law

H. *Amendment and Waiver*. The Parties agree that the provisions of this Agreement may not be modified by any subsequent agreement unless the modifying agreement is: (i) in writing; (ii) specifically references this Agreement; (iii) signed by Consultant; and (iv) signed and approved by an authorized officer of the Company. The Parties further agree that no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

I. *Language.* For purposes of interpretation or resolving ambiguities, this Agreement, as executed in English, shall prevail over any translation.

J. *Counterparts.* This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

K. *Other Definitional and Interpretative Provisions.* The words “herein,” “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. A reference to Schedule(s) is to the Schedule(s) of this Agreement unless otherwise specified. The Schedule(s) annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in the Schedule(s) but not otherwise defined therein, shall have the meaning as defined in this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law” or “laws” shall be deemed to include any and all applicable laws, regulations, ordinances, directives, statutes and the like.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the Parties have executed this Consulting Agreement as of the date first written above.

MAGNACHIP MIXED-SIGNAL, LTD.

By: /s/ Young-Joon Kim
Name: Young-Joon Kim
Title: Representative Director

CONSULTANT

/s/ Woungmoo Lee
Woungmoo Lee

Address for Notice:

[address omitted]

Email: *[email address omitted]*

[Signature Page to Consulting Agreement]

SCHEDULE A

Services, Compensation, Etc.

1. *Contact.* Consultant's principal contact at the Company:

A. Young-Joon Kim, Chief Executive Officer

2. *Services.* Consultant shall exercise substantial independent judgment and discretion while performing the Services, provided that Consultant shall at all times make best efforts to benefit the Company by providing the Services. Without limiting the foregoing, the Services include the following tasks for the Company's mixed-signal business:

A. Serve as a pivotal communication channel between the Company's sales personnel and executive-level representatives of the customers.

B. Utilize personal relationships to gain insight into customers' display and power IC business strategies, thereby aiding in the formulation of the Company's sales strategies.

C. Support the development of a robust sales strategy for 2025, leveraging the Korean government's 2024 IC development initiative.

D. Leverage Consultant's established network within existing customers and prior sales experience to expand the Company's customer base.

E. Provide guidance and strategic advice on market competition dynamics, including identifying key persons within customer organizations and to inform and enhance the Company's overall sales activities.

F. Engage in other activities to further the foregoing.

3. *Location.* The Services shall generally be performed by Consultant at Consultant's own office (the "Location"), but Consultant shall travel to the extent and to the places necessary for the performance of Consultant's Services.

4. *Term.* This Agreement shall commence on the Effective Date. Unless terminated earlier as provided herein, the term of the Agreement shall expire on June 30, 2025.

5. *Compensation; Expenses.*

A. *Payment.* Consultant will be paid KRW 13,000,000 per month (the "Service Fees"), which was established based on good-faith negotiations between Consultant and the Company. During the term, the Service Fees will be paid once a month on the 25th of each month. Any increase in the Service Fees will be determined based on negotiations between Consultant and the Company.

B. *Travel Expenses.* Pursuant to the Company's policies for travel expenses, Consultant will be reimbursed for all reasonable and appropriately substantiated out-of-pocket expenses incurred by Consultant relating to travel in the course of rendering the Services. Consultant must provide receipts for all travel expenses. Allowable expenses for approved travel include: (i) international air travel from Consultant's home to the work location for performance of the Services, (ii) surface travel expenses, and (iii) meal and lodging charges, all pursuant to the Company's policies for travel expenses.

C. *Transportation*. The Consultant will be provided with a vehicle for the term of this Agreement. At the end of the term or earlier termination of the term, the Consultant shall immediately vacate and return the vehicle to the Company without any excuse for delay or any claims in the same good order and condition as it was originally delivered to the Consultant. This rental is at the Consultant's own risk and under the Consultant's responsibility.

D. *Supplies*. For the term of this Agreement, the Consultant will be provided with a laptop computer for the Service. The computer and any other equipment procured through the Company shall be returned to the Company at the end of the term or earlier termination of the term.

6. *Termination*.

A. *Termination without Breach*. Unless Consultant is in Breach (as defined in Section 6(C) below) of this Agreement, in which case Section 6(B) shall apply, either Party may terminate this Agreement at any time upon giving the other Party 30 days' prior written notice of such termination pursuant to Section 12(E) of the Agreement. Such written notice shall also set forth the proposed End Date, which date shall become the End Date unless otherwise required by the Agreement or this Schedule A.

B. *Termination Due to Breach*. The Company may terminate the Agreement immediately by providing Consultant with written notice of the circumstances the Company believes constitute Breach after the Company becomes aware of such circumstances; provided that, if the basis for such termination is curable, then Consultant shall have fourteen (14) days after receipt of such written notice to cure such basis, and if not cured, the Company may terminate the Agreement immediately after the expiration of such cure period.

C. *Breach*. For the purposes of this Section 6, "Breach" means and includes: (i) Consultant's material breach of any of the terms of any agreement Consultant has with the Company, including the Agreement; (ii) Consultant's conviction of, or a plea of *nolo contendere* to, a felony or other crime involving moral turpitude (or an equivalent crime in a jurisdiction other than the United States), but excluding minor traffic violations; (iii) Consultant's commission of fraud, embezzlement, or misappropriation of funds; (iv) Consultant's refusal or inability to perform the Services; (v) Consultant's material violation of the Company's Code of Ethics; (vi) Consultant's habitual use of illicit drugs or habitual abuse of alcohol that affects Consultant's performance; or (vii) any gross negligence, material misconduct or material wrongful act or omission on Consultant's part in connection with the Services provided to the Company.